

WHAT IS ADVOCACY?

ADVOCACY is the most valuable work your association does on your behalf.
Here are just a few of the areas where we advocate for you and your bank.

- **LEGISLATIVE:**
Promote pro-banker legislation or defend against anti-business legislation before the U.S. Congress and the state legislature.
- **REGULATORY:**
Work with state and federal agencies on rules affecting day-to-day activities.
- **JUDICIAL:**
Defend the industry in the court system to ensure fair outcomes.



2019-2020

ADVOCACY REPORT

Legislative ★ Regulatory ★ Judicial



ADVOCACY is the most valuable work the Wisconsin Bankers Association does on behalf of its membership. As a banker, your priority is your customer. As your strategic business partner, WBA's priority is to ensure there are no legislative, regulatory, or judicial obstacles barring you from serving your customers to the best of your abilities. Here's what we've accomplished on your behalf in the last two years!

While WBA is very focused at the state level as a trade association, it has increased its time and efforts on the federal level given the significant impact decisions there have on the health of banks in Wisconsin.

Key legislative leaders rely on the WBA advocacy team's expertise and consult with them in determining how new legislation will affect the industry. WBA has earned legislative success over the years by building positive, long-lasting relationships with both state and federal lawmakers. The Wisconsin Bankers Association continues to be a proven leader in legislative advocacy on behalf of all Wisconsin banks.

WBA has had an impact on the following bills and laws:

VICTORIES

- **SAFE Banking Act Passed the House**
- **Corporate Transparency Act Passed House**
- **Introduction of a brokered deposit bill (S.3962)**
- **Prevented HR 5050, an interest rate cap bill, from getting a committee vote**
- **CARES Act Passed**
 - Community Bank Leverage Ratio temporarily decreased from 9% to 8%
 - Temporary delay of CECL
 - Paycheck Protection Program established

» Congressman **Mark Pocan** hosted a meeting with bankers in the Congressional 2nd District. Meetings like these are critical to ensure Wisconsin's Congressional Delegation understands the needs of the banking industry.



As the only Wisconsin group dedicated to the interests of bankers, we are proud and honored to serve you.

WBA Mission Statement

We promote a healthy environment for banks in Wisconsin through actively advocating, educating, and supporting our members.

★ Have questions? Contact the WBA Advocacy Team. ★



Rose Oswald Poels
WBA President and
Chief Executive Officer
608-441-1205
ropoels@wisbank.com



Daryll Lund
WBA Executive Vice
President and Chief of Staff
608-441-1203
dlund@wisbank.com



Michael Semmann
WBA Executive Vice President
and Chief Operations Officer
608-441-1206
msemmann@wisbank.com



Heather MacKinnon
WBA Vice President-Legal
608-441-1263
hmackinnon@wisbank.com



Scott Birrenkott
WBA Assistant Director - Legal
608-441-1244
sbirrenkott@wisbank.com

BoardmanClark
WBA Outside/Legislative Counsel

schreiberGRgroup
GOVERNMENT RELATIONS
Contract Lobbying Firm



» WBA's **Rose Oswald Poels** spoke at the introduction of a bill to combat elder financial abuse. WBA is proud to have been involved in this effort to protect the vulnerable in our communities.

Other groups may ignore or underestimate the importance of advocating judicially, but the WBA Advocacy Team understands the importance of this third aspect of advocacy. The WBA Advocacy Team regularly weighs in on behalf of the banking industry in Wisconsin.

WBA (via Boardman & Clark LLP) filed an amicus brief for *Koss Corporation v. Park Bank* which the Wisconsin Supreme Court ruled in favor of the bank. The case involved the definition of “bad faith” under Wisconsin’s Uniform Fiduciary Act (UFA). Previously, there was little case law in Wisconsin interpreting “bad faith” under the UFA.

This ruling is significant in helping banks to understand how to protect themselves from liability when dealing with fiduciaries.



» WBA regularly meets with officials, like FDIC Ombudsman **Dan Marcotte**, to discuss the concerns and regulatory landscape of Wisconsin’s banks.



» SB 457, the WBA-supported Omnibus Bill, had a hearing with the Senate Committee on Agriculture, Revenue & Financial Institutions. Speaking on behalf of the bill were representatives from Boardman & Clark LLP; Federal Home Loan Bank of Chicago; Reinhart Boerner Van Deuren s.c., and WBA.



» WBA’s Agricultural Bankers Section met at DMB Community Bank to talk to **Tom Brandt**, FSA Farm Loan Chief; **Brad Pfaff**, DATCP Secretary-Designee; and **Krista Knigge**, Administrator for DATCP’s Division of Agricultural Development about the issues facing Wisconsin’s ag bankers.

The WBA Advocacy Team actively meets with both state and federal regulators on a consistent basis to ensure the concerns of banks in Wisconsin are in the forefront of the regulatory conversations. This effort is in addition to pouring over regulatory documents to interpret the impact on Wisconsin’s banks and reporting back to the membership. These efforts have a tangible effect on the industry.

We continue to fight the illegal use of the word “bank” by credit unions and other non-banks, and continue to fight the illegal use of the name of banks in deceptive solicitations.

In addition, since the beginning of this fiscal year, WBA has filed a historically high 24 comment letters with government agencies soliciting input from the public on proposed regulatory updates as well as policy guidance. The following letters were submitted to:

- **FRB/CFPB**: Reg CC Funds Availability revisions, do not shorten hold periods due to ongoing fraud concerns, allow electronic notices.
- **OCC/FRB/FDIC**: Call Report revisions, agencies need create Short Form Call Report.
- **OCC/FRB/FDIC**: Agencies need to increase dollar threshold of when appraisal is required.
- **FRB/FDIC/OCC**: Recommendations for simplifications to Capital Rules.
- **FDIC**: Agency need revise brokered deposit rules/definitions, need promulgate rule to make revisions.
- **CFPB**: HMDA open-end credit reporting threshold recommendations
- **CFPB**: Overdrafts, do not promulgate duplicative, unnecessary rule.
- **FTC**: Safeguard rule, recommended FTC not duplicate requirements, should utilize existing FFIEC Interagency guidance and IT handbook.
- **Wisconsin DATCP**: Livestock Facility Siting Admin Rule ATCP 51.
- **HUD**: Support of proposal to realign implementation of Fair Housing Act with U.S. Supreme Court decision in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*.
- **NCUA**: Chartering and Field of Membership proposal, expressing concern and requested withdrawal of proposal.
- **CFPB**: Request for information on integrated RESPA/TILA disclosure rule burden, recommended several areas of focus for revision to rules.
- **FRB/FDIC**: Support for agencies to work with OCC to engage in formal rulemaking to revise CAMELS framework.
- **Council on Environmental Quality**: Update regulations that implement procedural provisions of National Environmental Policy Act to exclude all USDA guaranteed loans, rural development guaranteed loans and SBA guaranteed loans from all provisions of NEPA.
- **OCC/FDIC**: Recommendations regarding CRA proposal.
- **FRB/FDIC/OCC**: Capital rule revisions to accommodate eligible retained income definition.
- **FRB/FDIC/OCC**: Capital rules revision to accommodate participation in PPPLF.
- **FRB/FDIC/OCC**: Capital rules revision to accommodate participation in MMLF.
- **FDIC**: Revision to deposit insurance assessment to recognize participation in PPPLF and MMLF.
- **FDIC**: Brokered Deposit rule, recommendations to proposed rule.
- **FRB**: Revisions to Regulation D to remove withdrawal restrictions from savings deposits.
- **FRB/FDIC/OCC**: Proposal to allow deferral of obtaining appraisals.
- **FRB**: Proposal to revise Reg O to allow PPP loans to executive officers.
- **NCUA**: Subordinated Debt proposal, recommended withdrawal of rule.

It's no accident that Wisconsin stands out as the most pro-banking and pro-business state in the Midwest. Advocacy doesn't happen in a vacuum which is why the Wisconsin 2019-20 Legislative Session was a very busy time for WBA staff.

WBA is recognized as a leader among all trade associations when it comes to advocacy. Compared to our peers, WBA was again ranked in the top 10% of all lobbying groups in Wisconsin. This success does not come without significant member political involvement and grassroots support. In 2019, WBA raised a total of \$222,000 for its two political accounts, Wisbankpac and the Alliance of Bankers conduit. Thank you for your tremendous support of the Wisconsin banking industry!

VICTORIES

- **Online Notary Public** – Consolidates statutes related to notaries public and notarial acts into one chapter and authorizes the remote notarization of documents. (Wisconsin Act 125)
- **State Government Response to the COVID-19 Pandemic** – Saved small businesses nearly \$250 million in taxes that could have been applied to the forgivable portion of PPP loans. (Wisconsin Act 185)
- **Omnibus Bill** – Consolidated banking review boards into one; changed the payment for lost, destroyed, or stolen checks from 90 days to 14 days; permits an applicant for a mortgage loan originator license who meets certain specified requirements to temporarily act as a mortgage loan originator while the application is pending; a financial institution is liable for the surrender of garnishment or tax levy property only after the expiration of a reasonable time

to comply with the order; a financial institution that transfers data to an independent data processing servicer retains the legal rights to the data transferred and requires an independent data processor to disclose all fees and charges and grounds for termination in separate contract provisions with a financial institution. (Wisconsin Act 65)

- **Regulating Hemp** – Modified state law in accordance with the 2018 Farm Bill. It also clarifies the relationship between hemp products and certain cannabidiol (CBD) products, expands and repeals certain requirements of the state's Controlled Substances Board (CSB), and more. (Wisconsin Act 68)
- **Money Laundering** – Allows for prosecuting money laundering under Wisconsin law. (Wisconsin Act 161)

(continued)



» **Governor Evers** signed S.B. 457, the WBA-supported omnibus bill, into law which made several changes to statutes relating to banking practices. These changes will have a huge impact on Wisconsin banks in the future.



» Protecting elders from financial exploitation has long been a priority at WBA. **Ken Thompson**, Capitol Bank, Madison, testified before the Assembly Committee on Criminal Justice and Public Safety on bills that would do just that.

VICTORIES (continued)

- **Agricultural Development Loan Guarantee** – Loan guarantee program administered by the Wisconsin Housing and Economic Development Authority. (Wisconsin Act 62)
- **Electronic Mail** – Service of certain pleadings and other papers by electronic mail. (Wisconsin Act 30)
- **Property Valuation** – Prohibiting an assessor from changing the valuation of property based solely on a recent sale of the property. (Wisconsin Act 114)
- **Floodplain** – The regulation of nonconforming buildings in a floodplain. (Wisconsin Act 175)
- **Animal ID** – Creating a voluntary individual animal identification program and granting rule-making authority. (Wisconsin Act 178)
- **Financial Exploitation of the Elderly** – Four bills were supported through hearing testimonies and passed the state Assembly. Action likely in the beginning of next session.
- **Wisconsin ECORA Introduced: Income and Franchise Tax Deduction** – Enhancing Credit Opportunities in Rural America Act Creating was introduced this session. It provides an income and franchise tax deduction for interest on a loan secured by agricultural real estate.

- **Uniform Foreign-Country Money Judgments Recognition Act** – Introduced for the first time.
- **Uniform Fraudulent Transfer Act** – Passed by the Assembly.
- **Insurance Data Cybersecurity** – Imposing requirements related to insurance data cybersecurity and granting rule-making authority. WBA passed an amendment that added a specific exemption from the bill's requirements for insurers subject to data security regulations under the Gramm-Leach-Bliley Act, a federal act that regulates depository institutions. – Passed the Assembly.
- **Stopped four bills that had negative effects on the banking industry regarding wage lien, financial exploitation, and personal data.**



» 2020 Virtual Capitol Day(s)... in less than 30 days, 151 bankers met with 28 key legislators on the issues critical for the upcoming legislative session.



» In 2019, during WBA's annual Capitol Day, bankers met with 101 state legislators or their staff to discuss the issues critical to bankers, their customers, and the economy. This particular meeting took place in Wisconsin State Senate Majority Leader Scott Fitzgerald's office. The majority of the meetings for 2020 Capitol Day(s) were virtual events.